

EXHIBIT NO.

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BILL NO.

SB 395

**KALISPELL REGIONAL  
HEALTHCARE**

March 27, 2013

Chairman Jason Priest  
Senate Committee on Public Health, Welfare and Safety  
Room 317  
PO Box 200400  
Helena, MT 59620-0400

**VIA: PDF and Hand Delivery**

RE: SB 395

Dear Chairman Priest and Members of the Committee:

We write to you today in support of Senate Bill 395, "an act generally revising laws related to health care to expand Medicaid to certain non-disabled, non-elderly, and non-pregnant individuals and to improve the delivery of health care services in Montana;" sponsored by Senator David Wanzonried.

One of the most important issues facing you all during this 2013 Montana Legislature is whether to take advantage of the opportunity to expand health insurance coverage to low-income Montanans who fall into the gap between those eligible for Medicaid and those who typically can afford private insurance. Reform and expansion of the Montana Medicaid system are needed to preserve the health of our health care system. This is not a decision that affects only 70,000 low income uninsured Montanans that may become eligible for Medicaid coverage, but one that affects every Montanan. It is not just a health care issue. It is a fundamental economic issue for every business and citizen of our state.

In Flathead County, since 2008 our county has experienced chronic, often double-digit unemployment which is on the rise once again. Recently the Daily Interlake newspaper reported that Flathead County's unemployment rate jumped to 10.6 percent in January after coming in at 9.1 percent in December 2012. In 2008 the level of uncompensated care provided by our hospitals was less than one million dollars for an entire year. Today, uncompensated care has grown to exceed one million dollars every month. Flathead County includes nearly 10,000 Medicaid recipients. This represents more than 55 million dollars in Medicaid payments. If Medicaid were expanded, nearly 6,000 more Flathead residents would be eligible for coverage. This would equal more than 46 billion dollars of additional Medicaid spending in our county alone.

Kalispell Regional Healthcare is one of the largest employers in Western Montana and the largest in Flathead County. We currently employ 2,568 employee-families. We added 100 jobs in 2012. We believe Kalispell Regional Healthcare has played a significant role in stabilizing the area economy during

these difficult economic times. However, we cannot sustain this stabilizing influence without a reformed and expanded Medicaid program in Flathead County and across the state.

It is important to recognize that Montanans will be paying for the care of these Medicaid eligible patients one way or another. We have all paid federal taxes contributing to the federal payments to be made to support the expansion. As providers we have already funded the expansion of Medicaid by accepting deep cuts to Medicare payments to support the health care reform law. The need for health care services for this Medicaid eligible population and others will not decline. The cost of paying for services will have to be shifted to the rest of our population. Ultimately this shift may result in higher cost, higher premiums for private insurance, or reduction in available services, and reduction of the number of persons employed in health care across the state.

Expansion without reform is a non-starter. SB 395 presents reform opportunities that have been effectively used in other states to make a difference in the cost for Montanans who qualify for Medicaid. Without positively affecting this population, health care costs will certainly continue to rise.

Expanding Medicaid with the reforms set forth in SB 395 is the right way to go for the health of Montana and Montanans.

Very Truly Yours,

A handwritten signature in cursive script that reads "Velinda Stevens".

Velinda Stevens

President

Kalispell Regional Healthcare System